

which plainly states Congress does, in fact, support a new direction in Iraq. I commend the efforts of the bipartisan group of Senators who worked together to provide a positive framework for protecting our national security, supporting our troops, and defining our mission in Iraq. That compromise resolution reflects the will of the American people that we must, in fact, chart a new course of success in Iraq.

I especially commend the leadership and the great efforts of Senator WARNER, Senator NELSON, Senator COLLINS, Senator LEVIN, Senator BIDEN, Senator HAGEL, and others who have been involved in this effort over the last several days.

Until now, the debate over our mission in Iraq has been dominated by essentially what has been a false choice. On the one hand, we have had before Congress and before the American people plan A, which is the President's plan, which essentially has been to say, stay the course, plus, add another 21,500 troops into the fight in Baghdad. This would be a mistake. It would put more American troops into the middle of a civil war and places too much faith in what has been, to us, an incompetent Iraqi Government that has failed to do its work in securing the peace for its people and their country.

On the other hand, we have plan B, which is advocated by some Members of Congress, both in the House and this Senate, which calls for a more or less precipitous withdrawal from Iraq. From my point of view, this, too, is a bad choice. It could open the door to even more bloodshed and to a dangerous regionwide military escalation not only in Iraq but throughout the Middle East.

In my view, what we need is a plan C. That plan C should reflect the bipartisan opposition to the President's proposal to send an additional 21,500 troops to Iraq and also propose an alternative strategy for success in Iraq. That is exactly what we have accomplished with this compromise resolution which would make clear the following: First, that a bipartisan majority of Senators disagrees with the President's plan to increase the number of United States troops in Iraq as he has proposed; second, that the primary objective of a United States strategy in Iraq should be to encourage the Iraqi leaders to make the political compromises that are necessary to improve security, foster reconciliation, strengthen the Government, and end the violence; third, that the United States has an important role to play in helping to maintain the territorial integrity of Iraq, conducting counterterrorism activities, promoting regional stability and training and equipping the Iraqi troops; and, finally, that the United States should engage the nations in the Middle East to develop a regional, internationally sponsored peace and reconciliation diplomatic process and initiative within Iraq and throughout the region.

I will briefly elaborate on some of these points. The President's plan to simply surge or increase the number of troops in Iraq by 21,500 would be a mistake. First, the violence in Iraq is becoming increasingly sectarian, even intrasectarian. I worry that the American troops we are sending there are being placed in what is the midst of a civil war.

Second, I also worry that the larger American military presence will discourage the Iraqis from taking responsibility for their own security. As General John Abizaid said in this Capitol last November:

... it's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from taking more responsibility for their own future.

As we enter the debate over the next several days and weeks in this Senate, we should not forget those words:

I believe that more American forces prevent the Iraqis from taking more responsibility for their own future.

Furthermore, I am concerned that the plan places too much faith in the present Iraqi Government, which has so far shown little willingness to make the difficult decisions necessary to stop the bloodshed and the violence within their own country.

Finally, we have recent experience where the additional troops who have been sent into Iraq indicate that the results of those operations of the last 7 to 8 months have not been successful. Last year, we tried two separate surges—one was named Operation Together Forward I and the other was Operation Together Forward II—and neither stopped or slowed the violence in Iraq.

In fact, the bipartisan Iraq Study Group found that the violence had escalated during that same time period by 43 percent.

Adding to this is all the additional strain that a troop increase will place on our service men and women and their families.

For these reasons, I oppose the President's plan to increase our troop presence in Iraq. I am proud to be a cosponsor of the resolution that will be before this Senate. This resolution is more than about opposing the President's plan. It proposes a new strategy by calling for an enhanced diplomatic effort, a new focus on maintaining the territorial integrity of Iraq, maintaining the territorial integrity of Iraq, so that the weapons that are flowing from Iran and from Syria into that country can, in fact, be stopped. Stopping the flow of weapons and terrorists into that country will be part of bringing about the security that is needed in that country.

It also calls for a renewed focus on helping the Iraqis achieve a political settlement which is, at the end, a precondition to any successful outcome in Iraq.

We need a new direction in Iraq. We need to speak in a bipartisan voice. We, as an institution, need to fulfill our

constitutional duty as a coequal branch of Government as we move forward with what is one of the most important questions that today faces the American Nation.

The resolution I hope will be considered in the Senate this next week is a first step in that direction. I am proud to be a sponsor and a supporter of that resolution.

#### RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. SALAZAR. On behalf of the majority leader, I ask unanimous consent the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 2:29 p.m., recessed until 3:26 p.m., and reassembled when called to order by the Presiding Officer (Ms. KLOBUCHAR).

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### FAIR MINIMUM WAGE ACT OF 2007—Continued

Mr. HARKIN. Madam President, I rise to discuss an amendment I have filed to eliminate a provision that was added to the minimum wage bill regarding employee leasing firms, also known as professional employer organizations, or PEOs.

I have fought for a clean minimum wage bill, on the grounds that workers have been waiting 10 long years for this raise. During that time, businesses have seen record profits and productivity—and that has been equally the case in States and regions that have raised the minimum wage. Yet now we are being asked to include this aggressively anti-worker PEO provision in order to pass a minimum wage increase in the Senate.

For my colleagues and others who may not know what a PEO is, let me explain. It is an organization that handles administrative details for workers who actually do work for another company. For example, I might technically be employed by Tristate PEO, but I actually show up to work every day at Main Street Construction Company. Companies use PEOs so they don't have to handle the tax-and-benefits paperwork for many of their workers.

The language in the PEO provision, however, seeks to make these PEOs the "employer of record" for tax purposes. PEOs have sought to become the "employer of record" under various laws because they would like to be able to tell employers that the PEOs can independently take care of payroll taxes, workers' compensation, unemployment

insurance, and the like. However, in the past, PEOs have misrepresented what jobs are covered by workman's compensation—for instance, by characterizing construction workers as clerical. Under current law, legal responsibility for employer obligations typically remains partly or wholly with the worksite employer.

Making a PEO the sole employer makes the evasion of labor and employment standards much easier. The National Employment Law Project and other worker-rights advocates have concluded that the language now in the bill would make it harder for employees to go to an arbiter and get unpaid overtime, unemployment insurance benefits, or workman's compensation benefits if the PEO collapses. And this is by no means hypothetical. Such collapses have happened not just with small, fly-by-night operations, but with large PEOs like Administaff and Simplified Employment Services, SES.

For example, when SES allowed health insurance premiums to go unpaid and then went bankrupt, it left employees like Melanie Martin out in the cold. She said "We trusted him to pay our insurance premiums, and now I'm stuck with a \$7,000 surgery bill. Every time I think about this, I cry."

In 2004, when MidAtlantic Postal Express in Roanoke, VA, went bankrupt, the U.S. Treasury wasn't the only one left holding the bag. Employees were left wondering where to turn for thousands of dollars in back pay. Victory Compensation Services was the PEO handling the workers' pay and benefits, and admitted that workers had no workman's compensation coverage even though MidAtlantic had paid Victory premiums. But Victory blamed MidAtlantic for the unpaid payroll.

Now, let's say that you are newly unemployed trucker who is owed \$7,000 in back pay. This is a complicated mess for a worker to try to navigate just to get a paycheck that he or she is owed.

This is part of a larger, systemic problem. Working people in the United States feel less and less empowered in our you're-on-your-own society. Seventy percent of families are headed by either dual-income couples or a single parent. The housing bubble is bursting. Globalization is sending American jobs overseas. Pensions are being frozen at an unprecedented pace. The national savings rate has actually gone into negative figures. Women are working an average of 500 more hours more per year than in 1979. But productivity has increased 70 percent since then. People are working harder and getting paid less.

In this context of economic anxiety, we shouldn't be making it even harder for workers to organize, negotiate or enforce contracts, or fight for their rights under law. But that will be the sure-fire result if the final bill has this PEO provision in it.

I urge my colleagues to strip this provision from the bill. We must not sacrifice worker rights in exchange for

this modest and long-overdue increase in the wages for those at the lowest rungs of the economic ladder.

Mr. LEVIN. Madam President, I have long supported an increase in the minimum wage. I am pleased that, with the leadership of the new majority in Congress, this minimum wage increase will be passed by a bipartisan majority.

In 1996 Congress raised the minimum wage by 90 cents an hour in two steps to \$5.15 an hour. That increase was enacted more than 10 years ago. Since then, the real value of that wage has eroded by 21 percent and the nearly 5.5 million workers earning the minimum wage have already lost all of the gains from the 1996–1997 increase. Since then, Gallup polls have shown that 86 percent of small business owners do not think that the minimum wage affects their business, and nearly half of small business owners think that the minimum wage should be increased. Since then, 29 States, including Michigan, as well as the District of Columbia have recognized the importance of keeping our working families out of poverty by increasing State minimum wages.

Unfortunately, since the 1970s, poverty has increased by 50 percent among full-time, year-round workers. Currently, 37 million Americans, including 13 million children, live in poverty. As the most prosperous nation in the world, our minimum wage should be a living wage, and it is not. When a father or mother works full time, 40 hours a week, year-round, they should be able to lift their family out of poverty. A full-time minimum wage laborer working 40 hours a week for 52 weeks earns \$10,700 per year—more than \$6,000 below the Federal poverty guidelines for a family of three.

I believe that a full-time minimum wage job should provide a minimum standard of living in addition to giving workers the dignity that comes with a paycheck. These lower paid workers, many of whom have entered the workforce due to the welfare reform, should be rewarded for entering the workforce, not penalized by a poverty wage. A higher minimum wage has the potential to ensure that lower paid workers will be protected from falling into poverty and possibly back on the welfare rolls. The minimum wage increase during the recession in 1991 provided much needed income to poor people and helped to increase spending in the economy. 58 percent of the benefit of the 1996 increase went to families in the bottom 40 percent of income groups. Over one-third of the benefit went to the poorest families—those in the bottom 20 percent of income groups.

Today the real value of the minimum wage is \$4.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage would have to be at least \$9.37 an hour today, not \$5.15. According to the United States Department of Labor, over 60 percent of minimum wage earners are women; almost 40 percent are minorities, and

nearly 80 percent are adults. These hardworking Americans deserve a fair deal.

In addition to the long overdue minimum wage provision, this bill contains a package of tax provisions. I am pleased that these include a number of measures to crack down on abusive tax dodges, including an improvement to current law to end the tax benefits received by companies that reincorporate and set up shell headquarters in off-shore tax havens.

I am also pleased that the bill extends the work opportunity tax credit, which allows employers credit against wages for hiring workers from targeted groups such as recipients of public assistance, qualified veterans, and "high risk" youth. I have heard from a number of Michigan companies that the WOTC program is important to them in their hiring members of these targeted groups, and I am pleased that this provision will be extended through the end of 2012.

I am also pleased that the tax provisions would put in place a limit on the amount that corporate executives and other highly paid employees can place tax-free into deferred compensation plans. Under current law, public companies cannot deduct more than \$1 million per year for compensation paid to their top officers. However, compensation that is "deferred," meaning the employee doesn't have immediate access to it, is not subject to this \$1 million limit; so deferred compensation packages have become a main way that company executives can get multi-million dollar compensation packages while their companies continue to take a tax write-off.

We have seen these excessive packages time and again in recent stories about runaway executive compensation totaling tens of millions of dollars. Tens and even hundreds of millions of dollars have been salted away in this fashion for corporate executives, and companies have simply found another way to game the system by excluding this "deferred compensation" from those individuals' income for the year. It is more than time for Congress to put an end to this game which has fueled excessive executive pay.

This bill would set a limit on the amount of compensation that could receive tax deferral at the lower of \$1 million annually or the average of the previous 5 years compensation. The ability of corporate executives to defer tax on up to \$1 million in compensation is still a significant benefit that stands in stark contrast to the minimum wage we are attempting to raise for those at the lowest end of the pay scale.

It is only right that those who are at the low end of the pay scale who work hard should receive a fair wage and be able to support their families. These people do not always have the leverage to negotiate a fair salary. This bill to increase the minimum wage will help to move them to a more livable wage.

Mr. INHOFE. Madam President, I will unavoidably miss the final vote on

the minimum wage bill but I come down here now to ask unanimous consent that the RECORD reflect, immediately after the vote, my announcement that I would have voted against this bill.

In so doing, I remain consistent on the issue. Government is best when it does not pick winners and losers—when it does not competitively advantage one group of people over another or one set of States over another.

Senator DEMINT offered an amendment to equally and fairly increase the minimum wage by \$2.10 for each State over what the wage is today.

The fact that the liberals voted against the DeMint amendment is proof that their bill as now constituted is really about damaging the competi-

tiveness of middle America—the so-called red States, disparagingly called “fly-over country” by liberals—compared to the liberal fringe States.

Without this amendment, the underlying legislation would partially exempt minimum wage workers in higher-cost States that already have State minimum wage rates greater than the Federal level of \$5.15 an hour, and completely exempt minimum wage workers in highest-cost States that have State minimum wage rates near \$7.25 an hour.

The DeMint amendment would increase the Federal minimum wage equally for workers in all States at the same rate as H.R. 2 would increase the minimum wage from the current Federal minimum wage rate.

Senator KENNEDY's arguments against this amendment have been both confusing and contradictory. On the one hand, he said that we need a one-size-fits-all mandate, and then he said that Massachusetts has a higher cost of living.

I will not stand for people in Washington, DC, damaging the competitiveness of Oklahoma against other States. If Oklahomans vote to change our own laws, that is one thing, but we are not going to buckle under to DC and the liberal fringe States.

Thus I would vote nay.

I ask unanimous consent that the following chart be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

State	Current MinWage In Effect	Kennedy Proposal			\$ Wage Hike	DeMint Proposal			\$ Wage Hike
		2007 \$5.85	2008 \$6.55	2009 \$7.25		2007 \$0.70	2008 \$1.40	2009 \$2.10	
Alabama	\$5.15	\$5.85	\$6.55	\$7.25	\$2.10	\$5.85	\$6.55	\$7.25	\$2.10
Alaska	7.15	7.15	7.15	7.25	0.10	7.85	8.55	9.25	2.10
Arizona	6.75	6.75	6.75	7.25	0.50	7.45	8.15	8.85	2.10
Arkansas	6.25	6.25	6.55	7.25	1.00	6.95	7.65	8.35	2.10
California	7.50	7.50	8.00	8.00	0.50	8.20	8.90	9.60	2.10
Colorado	6.85	6.85	6.85	7.25	0.40	7.55	8.25	8.95	2.10
Connecticut	7.65	7.65	7.65	7.65	—	8.35	9.10	9.80	2.15
Delaware	6.65	6.65	7.15	7.25	0.60	7.35	8.05	8.75	2.10
District of Columbia	7.00	7.00	7.55	8.25	1.25	8.70	9.40	10.10	3.10
Florida	6.67	6.67	6.67	7.25	0.58	7.37	8.07	8.77	2.10
Georgia	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Hawaii	7.25	7.25	7.25	7.25	—	7.95	8.65	9.35	2.10
Idaho	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Illinois	6.50	7.50	7.75	8.00	1.50	7.20	7.90	8.60	2.10
Indiana	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Iowa	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Kansas	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Kentucky	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Louisiana	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Maine	6.75	7.00	7.00	7.25	0.50	7.45	8.15	8.85	2.10
Maryland	6.15	6.15	6.55	7.25	1.10	6.85	7.55	8.25	2.10
Massachusetts	7.50	7.50	8.00	8.00	0.50	8.30	9.00	9.70	2.10
Michigan	6.95	7.15	7.40	7.40	0.45	7.65	8.35	9.05	2.10
Minnesota	6.15	6.15	6.55	7.25	1.10	6.85	7.55	8.25	2.10
Mississippi	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Missouri	6.50	6.50	6.55	7.25	0.75	7.20	7.90	8.60	2.10
Montana	6.15	6.15	6.55	7.25	1.10	6.85	7.55	8.25	2.10
Nebraska	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Nevada	6.15	6.85	7.65	8.25	2.10	7.85	8.55	9.25	2.10
New Hampshire	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
New Jersey	7.15	7.15	7.15	7.25	0.10	7.85	8.55	9.25	2.10
New Mexico	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
New York	7.15	7.15	7.15	7.25	0.10	7.85	8.55	9.25	2.10
North Carolina	6.15	6.15	6.55	7.25	1.10	6.85	7.55	8.25	2.10
North Dakota	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Ohio	6.85	6.85	6.85	7.25	0.40	7.55	8.25	8.95	2.10
Oklahoma	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Oregon	7.80	7.80	7.80	7.80	—	8.50	9.20	9.90	2.10
Pennsylvania	6.25	6.25	6.55	7.25	1.00	6.95	7.65	8.35	2.10
Rhode Island	7.40	7.40	7.40	7.40	—	8.10	8.80	9.50	2.10
South Carolina	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
South Dakota	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Tennessee	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Texas	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Utah	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Vermont	7.53	7.53	7.53	7.53	—	8.23	8.93	9.63	2.10
Virginia	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10
Washington	7.93	7.93	7.93	7.93	—	8.63	9.33	10.03	2.10
West Virginia	5.85	5.85	6.55	7.25	1.40	6.55	7.25	7.95	2.10
Wisconsin	6.50	6.50	6.55	7.25	0.75	7.20	7.90	8.60	2.10
Wyoming	5.15	5.85	6.55	7.25	2.10	5.85	6.55	7.25	2.10

22 States—Fully Impacted.  
18 States—Partially Impacted.  
10 States—Not Impacted.

Mr. FEINGOLD. Madam President, I speak today in support of passage of H.R. 2, the Fair Minimum Wage Act of 2007. The Federal minimum wage has not been increased in almost 10 years and an increase is long overdue. I have been a strong supporter of an increase in the Federal minimum wage for many years and I am delighted the Senate is finally about to vote for an increase in the Federal minimum wage.

This much-needed increase is projected to benefit close to 13 million Americans either with a direct increase in their minimum wage or indirectly

by promoting higher wages for other working Americans earning more than the minimum wage. This increase is sorely needed because the current minimum wage cannot adequately support workers as its value has eroded significantly since the last increase in 1997. Furthermore, the Center on Budget and Policy Priorities notes that after adjusting for inflation, the value of the minimum wage is at its lowest level since 1955. As the costs of housing, health care, energy, and education continue to skyrocket, we must raise the minimum wage to provide millions of

hard-working Americans the respect and dignity their work demands.

More and more of these working Americans find themselves mired in poverty or living on the cusp of poverty. Right now, there are 37 million Americans living in poverty, including 13 million children. Since the 1970s, poverty has increased by 50 percent for full-time, year-round workers. Minimum wage workers who work full time earn \$10,700 a year, which is almost \$6,000 below the Federal poverty guidelines for a family of three. No American should work full-time, year-